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**CANADIAN GENERAL INVESTMENTS LIMITED**

**1978**

*Annual Report*

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# CANADIAN GENERAL INVESTMENTS LIMITED

## Board of Directors

RALPH M. BARFORD

M. C. G. MEIGHEN, O.B.E.

JOHN D. BARRINGTON

T. R. MEIGHEN, Q.C.

ALEX E. BARRON

WARD C. PITFIELD

DAVID L. CAMPBELL

JOHN C. RYKERT

DOUGLAS N. KENDALL

J. ALLYN TAYLOR

A. BRUCE MATTHEWS, C.B.E., D.S.O.

DONALD C. WEBSTER

PATRICK O. G. WRIGHT

## Officers

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M. C. G. MEIGHEN, O.B.E. - - - - - Chairman of the Board

ALEX E. BARRON - - - - - President

JOHN C. RYKERT - - - - - Treasurer

E. LOUISE MORGAN - - - - - Secretary

PATRICK O. G. WRIGHT - - - - - Assistant Treasurer

## Auditors

PRICE WATERHOUSE & CO. - - - - - Toronto

## Registrar and Transfer Agent

THE CANADA TRUST COMPANY - - - - - Toronto and Winnipeg

## Office of Company

110 YONGE STREET, SUITE 1702, M5C 1T4 (Telephone 416-366-2931) Toronto

# CANADIAN GENERAL INVESTMENTS LIMITED

To The Shareholders:

Your Directors have pleasure in submitting the Annual Report of your Company for the year ended December 31, 1978 consisting of the Consolidated Balance Sheet and Consolidated Statements of Income, Retained Earnings, Unrealized Gain on Investments, and Changes in Net Assets.

The Balance Sheet discloses that the total consolidated assets of the Company as at December 31, 1978 amounted to \$129,451,099. From this amount is deducted total accounts payable and accrued liabilities, income taxes payable, deferred income taxes, and minority interest which leaves a net value of \$122,498,908. Based on 3,843,764 Common Shares outstanding as at December 31, 1978 each common share had an apparent liquidating value of approximately \$31.87. It should be noted that while \$6.6 million in deferred income taxes was deducted from consolidated assets in calculating the equity value per share, the \$6.6 million continues to work for the benefit of the shareholders. Such will be the case until future realization of capital gains necessitates payment to the Government of part or all of these deferred taxes.

The Consolidated Statement of Income discloses that your Company, after paying all expenses and providing for the minority interest, had a net income for the year of \$6,063,921. This is equivalent to \$1.58 for each of the outstanding Common Shares. During 1978 net income from normal investment sources equalled \$4,513,560 or \$1.17 per share and in addition special "Tax-deferred" dividends of a non-recurring nature in the amount of \$1,554,045 or \$0.41 per share were received.

During 1978, shareholders received "Tax-deferred" dividends of \$1.15 per share. These dividends were paid out of the Company's December 31, 1971 Surplus Accounts and are not subject to income tax in the hands of the shareholders. Such dividends, however, reduced the adjusted cost base of the shares and this in turn could affect the taxable capital gain or loss resulting from any future sale of such shares.

We advised shareholders in the 1977 Annual Report that the concept of "Tax-deferred" dividends would cease to exist as of December 31, 1978. As a result the Company will no longer be able to pay dividends from its Tax Paid Undistributed Surplus On Hand and 1971 Capital Surplus On Hand. The Directors declared a "taxable" cash dividend of \$0.30 per share on January 31, 1979 payable March 15, 1979. The recent increase in the dividend tax credit makes this option attractive for most shareholders.

Since the Corporation had a substantial balance of 1971 capital surplus and some tax-paid undistributed surplus on hand, the Board of Directors decided to make a partial distribution of such surplus by declaring a special dividend payable out of 1971 Capital Surplus On Hand. This dividend was paid by transferring to shareholders of record at the



close of business on October 30, 1978, common shares without par value of Moore Corporation Limited ("Moore Common Shares") owned by the Corporation, at the rate of 6 Moore Common Shares for every 100 common shares of the Corporation registered in the name of a shareholder of record on the said record date. No fractions of Moore Common Shares were transferred to shareholders but in lieu thereof shareholders received a cash payment equal to the value of their fractional interests based on \$34.75 being the closing bid price of a Moore Common Share on The Toronto Stock Exchange on October 27, 1978.

The distribution of the "Moore Common Shares" created substantial additional 1971 Capital Surplus On Hand. A General Meeting of the Shareholders held on December 20, 1978 confirmed a By-law authorizing the capitalization of \$10,378,163 of the retained earnings of the Company by transferring such amount from the Company's retained earnings to the issued capital attributable to the outstanding common shares of the Company. The amount capitalized is equivalent to \$2.70 per outstanding common share.

In June 1978 we wrote to advise the shareholders that your Company and Third Canadian General Investment Trust Limited ("Third") had received Compulsory Transfer Notices requiring that both companies sell the 22.4% of the outstanding common shares of The Ravelston Corporation Limited ("Ravelston") owned by your Company, and the 4.1% of Ravelston shares owned by Third, at a price to be determined by Ravelston's auditors.

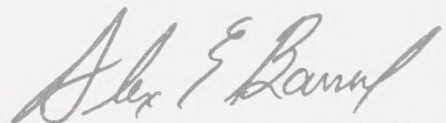
During the intervening six months, negotiations took place concerning the price and method of acquisition of the above-mentioned shares. Shareholders were advised on December 21, 1978 that the negotiations reached a satisfactory conclusion. As previously reported your Company received a cash payment of \$9,936,519 for its holdings of the preferred and common shares of Ravelston, and Third received \$1,822,650. These amounts were arrived at by assigning a value of \$42.50 for each common share of Argus Corporation Limited held by Ravelston. The transaction was completed by Ravelston purchasing for cancellation our outstanding shares. The proceeds received in excess of paid-up capital will be deemed for tax purposes to be an ordinary dividend to the companies, and accordingly, are not taxable. Your Management is pleased with this result.

The portfolio of investments as at December 31, 1978 is to be found on pages 10 and 11 of this report. A complete list of the securities held by C.G.I. and Third Venture Capital Limited is shown on the last page of this report.

Submitted on behalf of the Board.



*Chairman of the Board*



*President*

TORONTO, January 31, 1979.

# C A N A D I A N G E N E R A L

## Consolidated Balance Sheet

(Note 1(a))

### Assets

	December 31	
	1978	1977
Investments at indicated market value (Note 1(b)):		
Securities having a quoted market value - - - - -	\$117,393,305	\$109,590,553
Securities not having a quoted market value - - - - -	838,022	7,665,275
	<u>118,231,327</u>	<u>117,255,828</u>
(Cost as at—		
December 31, 1978—\$58,896,692		
December 31, 1977—\$59,356,652)		
Short-term investments, at cost plus accrued interest		
(including \$557,326 in U.S. Funds) - - - - -	10,857,432	61,350
Dividends and interest receivable - - - - -	34,394	14,920
Income taxes recoverable - - - - -	262,350	—
Cash - - - - -	65,596	62,777
	<u>\$129,451,099</u>	<u>\$117,394,875</u>

### Liabilities and Shareholders' Equity

Accounts payable and accrued liabilities - - - - -	\$ 204,041	\$ 9,365
Income taxes payable - - - - -	—	135,850
Deferred income taxes (Note 4(ii)) - - - - -	6,620,000	4,546,400
Minority interest in subsidiary - - - - -	128,150	118,870
Shareholders' equity:		
Capital stock—		
Authorized—		
4,000,000 common shares without par value		
Issued and outstanding—		
3,843,764 common shares (Note 2) - - - - -	34,401,688	24,023,525
Unrealized gain on investments - - - - -	52,791,640	53,362,386
Retained earnings (Note 2) - - - - -	35,305,580	35,198,479
	<u>122,498,908</u>	<u>112,584,390</u>
	<u>\$129,451,099</u>	<u>\$117,394,875</u>

APPROVED BY THE BOARD:

M. C. G. MEIGHEN, *Director*

J. ALLYN TAYLOR, *Director*

*Auditors' Report to the Shareholders of*

CANADIAN GENERAL INVESTMENTS LIMITED:

We have examined the consolidated balance sheet of Canadian General Investments Limited as at December 31, 1978 and the consolidated statements of income, retained earnings, unrealized gain on investments and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1978 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

As part of our tests referred to in the first paragraph above, we examined share certificates and other evidence supporting the investments held by the Company as at December 31, 1978.

TORONTO, January 19, 1979

PRICE WATERHOUSE & CO.  
Chartered Accountants

# I N V E S T M E N T S                      L I M I T E D

## *Consolidated Statement of Income*

	Year ended December 31	
	1978	1977
Income:		
Dividends- - - - -	\$ 4,850,935	\$ 4,578,061
Interest - - - - -	250,477	173,190
Gain on foreign exchange- - - - -	18,330	72,225
	<u>5,119,742</u>	<u>4,823,476</u>
Expenses:		
Management fees - - - - -	281,460	278,607
Directors' fees (Note 3) - - - - -	14,350	10,800
Miscellaneous - - - - -	123,022	42,450
Provision for income and foreign taxes—		
Current- - - - -	124,350	40,092
Deferred - - - - -	63,000	—
	<u>187,350</u>	<u>40,092</u>
	<u>606,182</u>	<u>371,949</u>
Income before special dividends and interest of minority shareholders - - - -	<u>4,513,560</u>	<u>4,451,527</u>
Special tax-deferred dividends received:		
Cash - - - - -	194,625	—
Shares of Moore Corporation Limited- - - - -	1,359,420	—
	<u>1,554,045</u>	<u>—</u>
Income before interest of minority shareholders - - - - -	6,067,605	4,451,527
Interest of minority shareholders - - - - -	3,684	1,351
Net income for the year - - - - -	<u>\$ 6,063,921</u>	<u>\$ 4,450,176</u>
Net income for the year per common share:		
On net income before special dividends received - - - - -	<u>\$ 1.17</u>	<u>\$ 1.16</u>
On net income for the year - - - - -	<u>\$ 1.58</u>	<u>\$ 1.16</u>



## *Consolidated Statement of Retained Earnings*

	Year ended December 31	
	1978	1977
Balance at beginning of year - - - - -	\$ 35,198,479	\$ 34,134,466
Add:		
Net income for the year - - - - -	6,063,921	4,450,176
Gain on investments disposed of during year, including recovery of income taxes of \$118,300 on the carry back of net capital losses to 1977 (1977—less income taxes of \$287,753) and less minority interest of \$9,991 (1977—\$28,213) - - - - -	16,855,919	957,290
	<u>58,118,319</u>	<u>39,541,932</u>
Less:		
Dividends paid on common shares—		
Cash- - - - -	4,420,328	4,343,453
Shares of Moore Corporation Limited - - - - -	8,014,248	—
	<u>12,434,576</u>	<u>4,343,453</u>
Transfer of retained earnings to paid-up capital of common shares (Note 2) - - - - -	10,378,163	—
	<u>22,812,739</u>	<u>4,343,453</u>
Balance at end of year - - - - -	<u>\$ 35,305,580</u>	<u>\$ 35,198,479</u>
Dividends paid per common share—		
Cash - - - - -	\$ 1.150	\$ 1.130
Shares of Moore Corporation Limited- - - - -	2.085	—
	<u>\$ 3.235</u>	<u>\$ 1.130</u>

## *Consolidated Statement of Unrealized Gain on Investments*

	Year ended December 31	
	1978	1977
Increase during the year - - - - -	\$ 1,435,459	\$ 993,674
Deferred income taxes - - - - -	(2,010,600)	(930,650)
Interest of minority shareholders - - - - -	4,395	13,732
	<u>(2,006,205)</u>	<u>(916,918)</u>
	<u>(570,746)</u>	<u>76,756</u>
Balance at beginning of year - - - - -	53,362,386	53,285,630
Balance at end of year - - - - -	<u>\$ 52,791,640</u>	<u>\$ 53,362,386</u>



# V E S T M E N T S L I M I T E D

## *Consolidated Statement of Changes in Net Assets*

	Year ended December 31	
	1978	1977
Net assets at beginning of year - - - - -	\$112,584,390	\$111,443,621
Add:		
Net income for the year - - - - -	6,063,921	4,450,176
Gain on investments disposed of during year including minority interest and income taxes - - - - -	16,855,919	957,290
Increase in unrealized gain on investments - - - - -	—	76,756
Increase in paid-up capital of common shares transferred from retained earnings - - - - -	10,378,163	—
	<u>145,882,393</u>	<u>116,927,843</u>
Less:		
Decrease in unrealized gain on investments - - - - -	570,746	—
Dividends paid - - - - -	12,434,576	4,343,453
Transfer of retained earnings to paid-up capital of common shares - - - - -	10,378,163	—
	<u>23,383,485</u>	<u>4,343,453</u>
Net assets at end of year - - - - -	<u>\$122,498,908</u>	<u>\$112,584,390</u>
Gain on investments disposed of during year:		
Cost of investments at beginning of year - - - - -	\$ 59,356,652	\$ 55,715,457
Add:		
Purchase of investments during year - - - - -	5,961,741	7,077,322
Dividend received in shares of Moore Corporation Limited - - - - -	1,359,420	—
	<u>7,321,161</u>	<u>7,077,322</u>
	66,677,813	62,792,779
Less: Cost of investments at end of year - - - - -	<u>58,896,692</u>	<u>59,356,652</u>
Cost of investments disposed of during year, including cost of \$240,840 of shares of Moore Corporation Limited distributed as a dividend -	7,781,121	3,436,127
Proceeds from disposition of investments during year, including value assigned to shares of Moore Corporation Limited distributed as a dividend -	<u>24,528,731</u>	<u>4,709,383</u>
Gain on investments disposed of during year before minority interest and income taxes - - - - -	16,747,610	1,273,256
Provision for (recovery of) income taxes - - - - -	(118,300)	287,753
Interest of minority shareholders - - - - -	9,991	28,213
	<u>(108,309)</u>	<u>315,966</u>
Gain on investments disposed of during year - - - - -	<u>\$ 16,855,919</u>	<u>\$ 957,290</u>
Apparent liquidating value per common share:		
At beginning of year - - - - -	<u>\$ 29.29</u>	<u>\$ 28.99</u>
At end of year - - - - -	<u>\$ 31.87</u>	<u>\$ 29.29</u>

# CANADIAN GENERAL INVESTMENTS LIMITED

## *Notes to Consolidated Financial Statements*

DECEMBER 31, 1978

1. Significant accounting policies:

(a) Basis of consolidation—

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, C.G.I. and Third Venture Capital Limited.

(b) Valuation of investments—

The indicated market values of quoted securities are the result of pricing the companies' holdings at the closing quoted market prices as at December 31. Such amounts do not necessarily represent the value of the total holding in any company which may be more or less than that indicated by market quotations. Securities not having a quoted market value have been included at values determined by the directors based principally on the underlying values of the assets represented by these securities.

2. Capital stock and retained earnings:

At a special general meeting of shareholders on December 20, 1978, a resolution was approved which resulted in a transfer of \$10,378,163 of retained earnings to the paid-up capital of the issued and outstanding common shares.

3. Remuneration of senior officers:

No remuneration is paid by the Company to its "senior officers", as defined by the Ontario Business Corporations Act, 1970.

4. Taxation:

(i) The companies do not qualify as "investment corporations" as defined in Section 130 of the Canadian Income Tax Act; accordingly, they are subject to income tax as "public corporations". "Taxable dividends" received from "taxable Canadian corporations", as defined by the Act, are excluded from taxable income; one-half of gains on disposal of investments, to the extent that these have accrued since December 31, 1971, are subject to income tax at full corporate rates.

(ii) Unrealized gain on investments includes approximately \$21,467,000 which has accrued since December 31, 1971. In addition, the parent company has received dividends of approximately \$5,161,000 since December 31, 1971 which were paid out of "tax-paid undistributed surplus on hand" and "1971 capital surplus on hand" of the payor corporations and, therefore, must be applied to reduce the adjusted cost base of the investments in the payor corporations resulting in a corresponding increase in the gain which may ultimately be realized on these investments. A provision for deferred income taxes on these unrealized gains has been made in the accounts.

(iii) The dividends paid on the common shares during the year were out of tax-paid undistributed surplus on hand and 1971 capital surplus on hand in the amounts of \$124,000 and \$12,310,500 respectively. The transfer of retained earnings to the paid-up capital of the common shares of \$10,378,163, which represents a dividend for income tax purposes, was deemed to have been distributed out of 1971 capital surplus on hand of the Company.

With the enactment in 1977 of amendments to the Income Tax Act (Canada), tax-paid undistributed surplus on hand and 1971 capital surplus on hand disappeared on December 31, 1978. Accordingly, the Company will not be able to pay tax-deferred dividends out of those categories after that date.

5. Anti-Inflation Programme:

The Company was subject to dividend restrictions imposed by the Federal Government in the Anti-Inflation Act effective October 14, 1975. Dividends paid since this date to October 13, 1978, the date of the expiry of this legislation, were in compliance with the controls.

# CANADIAN GENERAL INVESTMENTS LIMITED

## Summary of Portfolio by Industry

	VALUE AS OF DEC. 31, 1978	PERCENT OF PORTFOLIO
Finance - - - - -	\$ 20,938,125	17.7
Industrial Management - -	10,950,000	9.3
Merchandising - - - -	9,029,225	7.6
Business Forms - - - -	2,914,717	2.5
Steel - - - - -	12,540,625	10.6
Investment Trust - - - -	10,106,000	8.5
U.S. Securities - - - - -	18,840,215	15.9
Metals - - - - -	2,293,750	1.9
Energy - - - - -	8,425,125	7.1
Beverages - - - - -	7,121,875	6.0
Manufacturing - - - -	4,261,500	3.6
Forest Products - - - -	4,698,750	4.0
Communications - - - -	2,448,000	2.1
Miscellaneous - - - - -	1,852,500	1.6
Venture Capital - - - -	1,250,920	1.1
Real Estate - - - - -	560,000	0.5
	\$118,231,327	100.0

## Summary of Changes in Portfolio

in 1978

### Additions to Portfolio

The Alberta Gas Trunk Line Co., Ltd.	30,000 shares
Calgary Power Ltd. 'A' - - - - -	17,000 shares
Canadian Tire Corporation Ltd. - -	31,500 shares
Canadian Utilities Ltd. - - - - -	2,500 shares
The Consumers' Gas Co. - - - - -	30,000 shares
Domtar Inc. - - - - -	100,000 shares
*Intel Corporation Ltd. - - - - -	2,500 shares
Ram Petroleums Limited - - - - -	20,000 shares
Waters Associates Inc. - - - - -	17,000 shares

### Deletions from Portfolio

Canadian Tire Corporation Ltd. 'A' -	31,500 shares
Cominco Ltd. - - - - -	90,000 shares
Inco Limited 'A' - - - - -	25,000 shares
Interprovincial Pipe Line Ltd. 'A' -	25,000 shares
London Life Insurance Co. - - - -	634 shares
Massey Ferguson Ltd. - - - - -	80,000 shares
Moore Corporation Limited - - -	191,001 shares
Na-Churs International Ltd. - - -	85,000 shares
The Ravelston Corp. Ltd. Prefd. - -	348,568 shares
The Ravelston Corp. Ltd. Common -	28,729 shares
D. A. Stuart Oil Co. Ltd. - - - - -	6,302 shares
Trimac Ltd. - - - - -	31,300 warrants

\*Stock Split -5 for 4



# CANADIAN GENERAL INVESTMENTS LIMITED

## Portfolio of Investments

AS AT DECEMBER 31, 1978

No. of Shares		Total Market Value \$	% of Portfolio	No. of Shares		Total Market Value \$	% of Portfolio
	<b>Beverages</b>	<b>7,121,875</b>	<b>6.0</b>		<b>Finance</b>	<b>20,938,125</b>	<b>17.7</b>
215,000	The Seagram Company Ltd. -	7,121,875			(A) BANKS - - - - -	2,888,125	
				15,000	Bank of Montreal - - - - -	382,500	
	<b>Business Forms</b>	<b>2,914,717</b>	<b>2.5</b>	40,000	Royal Bank of Canada - - -	1,510,000	
88,999	Moore Corporation Limited -	2,914,717		45,000	The Toronto-Dominion Bank -	995,625	
					(B) TRUST COMPANY - -	18,050,000	
	<b>Communications</b>	<b>2,448,000</b>	<b>2.1</b>	760,000	Canada Trustco Mortgage Company 'A' - - - - -	18,050,000	
96,000	Southam Incorporated - - -	2,448,000					
	<b>Energy</b>	<b>8,425,125</b>	<b>7.1</b>				
	(A) OILS - - - - -	3,559,375			<b>Forest Products</b>	<b>4,698,750</b>	<b>4.0</b>
20,000	Hudson's Bay Oil & Gas Co. Ltd.	1,045,000					
35,000	Imperial Oil Ltd. 'A' - - - -	875,000		100,000	Domtar Inc.- - - - -	2,437,500	
20,000	Ram Petroleums Limited - -	180,000		90,000	MacMillan Bloedel Ltd. - - -	2,261,250	
50	Rangeco Oil & Gas Ltd. Units -	250,000					
75,000	Shell Canada Ltd. 'A' - - - -	1,209,375			<b>Industrial Management</b>	<b>10,950,000</b>	<b>9.3</b>
	(B) PIPELINE - - - - -	731,250					
30,000	The Alberta Gas Trunk Line Co., Ltd. - - - - -	731,250		730,000	Argus Corporation Ltd. Class 'C' Prefd. - - - - -	10,950,000	
	(C) OTHER - - - - -	4,134,500			<b>Investment Trust</b>	<b>10,106,000</b>	<b>8.5</b>
17,000	Calgary Power Ltd. 'A' - - -	675,750					
2,500	Canadian Utilities Ltd. - - -	40,000		652,000	Third Canadian General Investment Trust Limited -	10,106,000	
30,000	The Consumers' Gas Co.- - -	551,250					
70,000	Rio Algom Ltd. - - - - -	2,380,000					
50,000	Union Gas Limited 'A' - - -	487,500					

# CANADIAN GENERAL INVESTMENTS LIMITED

No. of Shares		Total Market Value \$	% of Portfolio	No. of Shares		Total Market Value \$	% of Portfolio
	<b>Merchandising</b>	<b>9,029,225</b>	<b>7.6</b>		<b>Venture Capital</b> (see page 12)	<b>1,250,920</b>	<b>1.1</b>
172,100	Canadian Tire Corporation Ltd. 'A' - - -	4,302,500		5,850	C. G. I. and Third Venture Capital Limited Preferred -	585,000	
67,900	Canadian Tire Corporation Ltd.	1,544,725					
42,000	Cochrane-Dunlop Ltd. - - -	462,000		90,000	C. G. I. and Third Venture Capital Limited Common -	665,920	
*340,000	Simpsons Limited - - - -	2,720,000					
	<b>Manufacturing</b>	<b>4,261,500</b>	<b>3.6</b>		<b>Miscellaneous</b>	<b>1,852,500</b>	<b>1.6</b>
35,000	Canadian General Electric Co. Ltd. - - - - -	953,750		80,000	Extendicare Ltd. - - - - -	1,020,000	
220,500	Hayes Dana Ltd. 'A' - - - -	2,260,125		90,000	Scott's Restaurants Co. Ltd. - -	832,500	
29,000	Northern Telecom Ltd. - - -	1,047,625					
	<b>Metals</b>	<b>2,293,750</b>	<b>1.9</b>		<b>U.S. Securities</b>	<b>18,840,215</b>	<b>15.9</b>
30,000	Alcan Aluminium Ltd. - - -	1,200,000		350,000	Avco Corporation - - - - -	9,493,811	
50,000	Texas Gulf Inc. - - - - -	1,093,750		\$845,591	Avco Corp. 9% May 31, 2001 -	1,396,194	
	<b>Real Estate</b>	<b>560,000</b>	<b>.5</b>	22,000	Halliburton Company - - -	1,731,564	
35,000	Trizec Corporation Ltd. - - -	560,000		12,500	Intel Corporation Ltd. - - -	733,714	
	<b>Steel</b>	<b>12,540,625</b>	<b>10.6</b>	20,000	Joy Manufacturing Company -	655,154	
225,000	The Algoma Steel Corp. Ltd. -	5,962,500		20,000	National Mine Service Company - - - - -	352,775	
100,000	Dominion Foundries and Steel Ltd. 'A' - - - - -	3,062,500		52,700	Shared Medical Systems - - -	1,585,726	
125,000	The Steel Co. of Canada Ltd. 'A'	3,515,625		40,000	Tektronix Inc. - - - - -	2,241,162	
				17,000	Waters Associates Inc. - - -	650,115	

\*Valuation is based on unit consisting of one Simpsons Ltd. and .655 Simpsons-Sears Class 'B' shares.

# C.G.I. AND THIRD VENTURE CAPITAL LIMITED

## Authorized Capital—

10,000 6% non-cumulative, non-voting preference shares with a par value of \$100 each redeemable at the amount paid up thereon.

100,000 common shares without par value.

## Issued and outstanding—

6,500 preference shares

100,000 common shares.

As at December 31, 1978 Canadian General Investments Limited held 5,850 preference shares and 90,000 common shares for a total investment of \$675,000. Third Canadian General Investment Trust Limited held 650 preference shares and 10,000 common shares for a total investment of \$75,000. There are no other shareholders.

## *Portfolio of Investments*

AS AT DECEMBER 31, 1978

No. Shares		Class	Total Value
** 13,000	Applied Digital Data Systems - - - - -	Preferred	\$362,262
† 5,000	Energy Conversion Devices - - - - -	Common	80,041
900	Gestalt Int'l. Ltd. (previously Hoborough Ltd.) - - - - -	Preferred	1,845
* 20,000	Helix Investments Ltd. - - - - -	Common	40,000
* 18,050	Helix Investments Ltd. - - - - -	Preferred	180,500
* 106,855	Hermes Electronics Ltd. - - - - -	Common	10,686
* 2,000	Hermes Electronics Ltd. - - - - -	Preferred	20,000
* \$59,270	Master Design Corp. 8% Oct. 6, 1986 - - - - -	Debenture	59,270
* 20,000	Master Design Corp. - - - - -	Conv. Preferred	59,270
* 41,583	Mitel Corporation - - - - -	Common	4,158
* \$62,375	Mitel Semi-Conductor Inc. 10% 1982-6 - - - - -	Debenture	62,375
* 1 Unit	Pay T.V. - - - - -	Common and Debenture	126,360
25,000	Spar Aerospace Products Ltd. - - - - -	Common	218,750
* 5,000	Venturetek International Limited - - - - -	Common	25,000
	Miscellaneous - - - - -		403
			<u>\$1,250,920</u>

†U.S. Security—o/c NEW YORK

\*Note: Securities not having a quoted market value have been included at values determined by the Directors based principally on the underlying value of the assets represented by these securities.

\*\*U.S. Security—Listed NYSE





